



FTR

Quality is Our Bottom Line Insurance and Real Estate Committee Public Hearing

Thursday, March 7, 2013

Connecticut Association of Health Plans

Testimony Regarding

S.B. No. 1031 AAC THE INSURANCE DEPARTMENT'S AUTHORITY TO PROTECT CONSUMERS

H.B. No. 6550 AAC LOSS RATIO GUARANTEES FOR INDIVIDUAL HEALTH INSURANCE POLICIES

S.B. No. 1028 AAC INSURANCE DEPARTMENT EXAMINATIONS OF MARKET CONDUCT ACTIVITY

H.B. No. 6551 AAC OWN RISK AND SOLVENCY ASSESSMENTS FOR DOMESTIC INSURERS

The Connecticut Association of Health Plans would respectfully like to note for the record that there are some technical issues with a couple of the Department bills listed above and we hope we can continue to work with the Department and the legislature as the bills move forward to address our concerns. At the moment, we are still in the process of reviewing the proposals and need to vet our comments with our members, but would very much appreciate the opportunity, once that process is complete, to work with any and all parties to achieve consensus.

However with respect to SB 1028 AAC Insurance Department Examinations of Market Conduct Activity, the Association must respectfully oppose the bill. Predictability of costs is critical to the stability of the insurance market. Requiring that carriers absorb undetermined expenses associated with outside consultants brought in to assist in market conduct examinations with little ability to assure that the associated costs are appropriate runs contrary to that objective. Carriers are also sensitive to the anecdotal accounts of abuse in this area that have emerged from other states across the country.

Many thanks for your consideration.